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SABO-5936
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4 May 1956

MEMORANDUM FOR THE RECORD

SUBJECT: Review of Subcontracts with Hycon Mfg. Company and Spica, Inc.

1. Hycon Mfg. Company — The work authorized under Supplemental Agreement No. 2 with this subcontractor corresponds with that contained in Appendix I of Supplemental Agreement No. 2 to Contract No. SC-21-54 with the prime contractor, Perkin-Elmer Corp. Supplemental Agreement No. 2 to the subcontract results in an increase to the target price of \$164,103, from \$3,452,894 to \$3,616,997. Applying the same rates as computed under the basic subcontract to Supplemental Agreement No. 2 to the subcontract, it has been found that the target profit of \$298,652 set forth in sub-section 1, section L, "Price Redetermination," the maximum price of \$3,948,831 set forth in Sub-section 5(b); and the estimated target cost and profit of \$3,318,345 and \$298,652, respectively, referred to in Sub-section 5(c) of Supplemental Agreement No. 2 are correct.

2. Spica, Inc. — The work authorized under Supplemental Agreement No. 1 with this subcontractor corresponds with the additional work authorized in Item 20 in Supplemental Agreement No. 2 to the prime Contract, No. SC-21-54. The additional work authorized in Supplemental Agreement No. 1 to the subcontract increases the contract price thereof by \$11,400 from \$28,000 to \$39,400.

3. In view of the fact that the prime contract has been properly amended by prime Supplemental Agreement No. 2 to cover all work and services included in the above-referenced supplemental agreements, and since the latter mentioned supplemental agreements are correct and in proper form, it is recommended that they be approved for execution between the contracting parties.

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